

MEETING NUMBER 3094

JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JUNE 2, 2016
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
ONE DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYORAL DESIGNEE
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR/VICE CHAIRPERSON
JOHN SERDA	ELECTED TRUSTEE/POLICE
DAVID SZYMANSKI	EX/OFFICIO TRUSTEE/TREASURER
TRACY THOMAS	ELECTED TRUSTEE/FIRE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE

TRUSTEES EXCUSED

BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR

TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
MICHAEL KRUSHENA	INVESTMENT OFFICER
RONALD A. KING	GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY
REGINALD O'NEAL	MEDICAL DIRECTOR

STAFF EXCUSED

NONE

STAFF ABSENT

NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3094 – THURSDAY – JUNE 2, 2016

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CHAIRPERSON

JEFFREY PEGG

VICE CHAIRPERSON

PORTIA ROBERSON

FOLLOWING A VERBAL ROLL CALL, CHAIRPERSON **PEGG** CALLED THE MEETING TO ORDER AT **9:03 A.M.**

JUNE 2, 2016 AGENDA APPROVAL

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE SERDA

RESOLVED, THAT TODAY'S **JUNE 2, 2016** AGENDA BE APPROVED AS PREPARED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 8

NAYS – NONE

HYBRID APPLICATION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE HYBRID APPLICATION WHICH IS OUTLINED BELOW BE APPROVED:

HYBRID APPLICATION

NAME, TITLE, DEPARTMENT:	MARTHA SANFORD – SERGEANT - POLICE
RETIREMENT TYPE, PLAN:	DROP HYBRID – 2014 PLAN
SERVICE CREDIT/EFFECTIVE DATE:	00 07 25 – 02 26 15

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 8

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3094 – THURSDAY – JUNE 2, 2016

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DROP APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE DROP APPLICATIONS WHICH ARE OUTLINED BELOW BE APPROVED:

DROP APPLICATIONS

NAME, TITLE, DEPARTMENT: FURMAN BARNES – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE : 18 00 06 – 06 24 16

NAME, TITLE, DEPARTMENT: JOSEPH DABLIZ, II – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 18 00 06 – 06 24 16

NAME, TITLE, DEPARTMENT: REGINALD SANDLIN – SERGEANT - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 23 00 13 – 06 17 16

NAME, TITLE, DEPARTMENT: VINCENTE SMITH – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE: 18 00 06 – 06 25 16

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 8

NAYS – NONE

RECEIPTS

THE BOARD ACKNOWLEDGED THE **RECEIPTS** WHICH ARE DESIGNATED BELOW:

The Police & Fire Retirement System of the City of Detroit Receipts for Acknowledgement			
SF16/16-5/27/16			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
Quantum Capital	05/16/16	Closing Account	13,790.80
Mesirow Arbitrage	05/19/16	Distribution	170,402.55
Centre Lane Partners	05/20/16	Distribution	1,355,897.22
Multiple Closing Accounts	05/27/16	Transfer to Liquid Reserve	30,000,000.00
American Realty Advisors	05/27/16	Distribution	200,000.00
US Real Estate Fund I	05/27/16	Distribution	99,435.11
FIRST INDEPENDENCE BANK	05/17/16	Loan Deductions	29,531.36
FIRST INDEPENDENCE BANK	05/20/16	Loan Deductions	133,805.87
CITY OF DETROIT	05/13/16	Weekly Mandatory Employee Contribution	228,765.92
CITY OF DETROIT	05/13/16	Weekly Annuity Contribution	3,618.93
CITY OF DETROIT	05/20/16	Weekly Mandatory Employee Contribution	78,897.86
CITY OF DETROIT	05/20/16	Weekly Annuity Contribution	841.52
		TOTAL RECEIPTS	\$ 32,314,987.14

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3094 – THURSDAY – JUNE 2, 2016

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DISBURSEMENTS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE **DISBURSEMENTS** WHICH ARE REFERENCED BELOW BE APPROVED:

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
5/16/16-5/27/16			
Meeting #3094			
June 2, 2016			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Retired Payroll		Direct Deposit for Retirees - 5/1/2016	16,808,080.16
Retired Payroll		Checks for Retirees - 5/1/2016	7,045,005.85
Annuity Refunds		Refund List # 3635	409,575.97
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3093	57,260.00
		TOTAL DISBURSEMENTS	\$ 24,319,921.98

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR JUNE 2, 2016

PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
CAPITAL CALLS:				
STEWARD REAL ESTATE MANAGEMENT, LLC	5/13/2016		Management Fees: Due 5/27/16	\$47,215.19
Subtotal				\$47,215.19
MANAGEMENT FEES:				
ADVENT CAPITAL MANAGEMENT, LLC	5/13/2016	1Q16	Management Fees - 1st Qtr '16	\$65,853.48
AMERICAN REALTY ADVISORS	5/2/2016		Advisory Fees - 1Q16. Invoice # 6735	\$142,897.60
BANYAN REALTY ADVISORS, LLC	5/17/2016		Advisory Fees - 1Q16	\$9,285.72
BNY MELLON ASSET SERVICING	5/19/2016		Service Fees - 1Q16, Invoice # 514280	\$67,213.38
GUGGENHEIM PARTNERS	3/30/2016	1Q16	Management Fees - 1st Qtr '16 Final Invoice	\$50,121.57
HARVEST FUND ADVISORS LLC	4/26/2016	1Q16	Management Fees - 1st Qtr '16	\$127,358.69
JOHNSTON ASSET MANAGEMENT	4/27/2016	DETPFRE888590316	Management Fees - 1st Qtr '16	\$128,919.98
KENNEDY CAPITAL MANAGEMENT	4/29/2016	1Q16	Management Fees - 1st Qtr '16	\$161,384.00
MORGAN STANLEY INVESTMENT MANAGEME	5/23/2016	20160331-7785-A	Management Fees - 1st Qtr '16	\$104,261.39
PAYDEN & RYGEL	5/12/2016	1612-M416	Management Fees 4/1/16-4/31/16	\$9,945.00
PAYDEN & RYGEL	5/12/2016	1613-M416	Management Fees 4/1/16-4/31/16	\$7,748.00
PUGH CAPITAL MANAGEMENT, INC.	4/21/2016	1Q16	Management Fees - 1st Qtr '16	\$51,988.30
QUANTUM CAPITAL MANAGEMENT	5/2/2016	1Q16	Management Fees - 1st Qtr '16	\$15,225.43
QUANTUM CAPITAL MANAGEMENT	5/2/2016	4M16	Management Fees - April 2016 Final Invoice	\$4,408.48
SALIENT CAPITAL ADVISORS, LLC	4/4/2016	1Q16	Management Fees - 1st Qtr '16	\$112,099.92
WELLS CAPITAL MANAGEMENT	4/21/2016	10300757	Management Fees - 1st Qtr '16	\$134,745.51
WELLS CAPITAL MANAGEMENT	4/15/2016	10387827	Management Fees - 1st Qtr '16	\$51,485.83
Subtotal				\$1,244,942.26
LEGAL FEES:				
CLARK HILL, PLC	3/28/2016	644431	Investment Committee thru 1/31/16	\$843.22
CLARK HILL, PLC	3/28/2016	644432	General Counsel Services thru 1/31/16	\$26,769.87
CLARK HILL, PLC	3/28/2016	644951	Chapter 9 Implementation thru 2/29/16	\$3,652.87
CLARK HILL, PLC	3/28/2016	644944	Lyondell thru 2/29/16	\$1,415.25
CLARK HILL, PLC	3/28/2016	644434	Davis Litigation thru 1/31/16	\$510.20

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

LIST OF DISBURSEMENTS FOR BOARD APPROVAL

FOR JUNE 2, 2016

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
CLARK HILL, PLC	3/28/2016	644946	Donald v. Watkins, et al (Tradewinds Airlines) thru 2/29/16	\$24.23
CLARK HILL, PLC	3/28/2016	644947	Onyx Capital Litigation thru 2/29/16	\$223.55
CLARK HILL, PLC	3/28/2016	644948	ICG Litigation thru 2/29/16	\$4,944.08
CLARK HILL, PLC	3/28/2016	644435	North Pointe Advisors, Inc. thru 1/31/16	\$6,932.60
CLARK HILL, PLC	3/28/2016	644949	Alamerica Bank thru 2/29/16	\$1,857.25
CLARK HILL, PLC	3/28/2016	644436	Keeler Litigation thru 1/31/16	\$19,913.70
F. LOGAN DAVIDSON, P.C.	5/23/2016	052316	Legal Fees thru 5/19/16 - Atheneum Hotel Stock Sale	\$1,880.00
Subtotal				\$68,966.82

ADMINISTRATIVE EXPENSES:

500 WEBWARD LLC	4/28/2016	675706	Electrical Billing 4/1/16-4/28/16, Meter #65750763	\$941.26
500 WEBWARD LLC	4/28/2016	675708	Electrical Billing 4/1/16-4/28/16, Meter #93052937	\$855.89
500 WEBWARD LLC	4/28/2016	675707	Electrical Billing 4/1/16-4/28/16, Meter #87249577	\$423.99
ADP, INC	5/13/2016	473534266	Check Printing Services	\$10,873.14
CREATIVE BREAKTHROUGHS INC	5/24/2016	119166	IT Security Svcs	\$5,580.00
CREATIVE BREAKTHROUGHS INC	5/27/2016	119174	IT Security Svcs	\$110.00
CREATIVE BREAKTHROUGHS INC	5/19/2016	119148	IT Security Svcs	\$1,590.00
FEDEX	5/18/2016	5-420-49691	FedEx Mailings	\$32.01
GABRIEL, ROEDER, SMITH & CO	5/17/2016	421908	EDRO Calculations for C. Edwards	\$800.00
GABRIEL, ROEDER, SMITH & CO	5/17/2016	421909	EDRO Calculations for D. Olsen	\$800.00
GABRIEL, ROEDER, SMITH & CO	5/17/2016	421913	EDRO Calculations for M. Schwartz	\$800.00
HARLAND TECHNOLOGY SERVICE	4/7/2016	13853455	Computer Equipment	\$1,879.50
IRON MOUNTAIN RECORDS MANAGEMENT	3/31/2016	MLN8591	Records Storage	\$1,489.95
PLANTE & MORAN	5/21/2016	1341876	Professional Audit Services - Year Ended June 30, 2015	\$11,725.00
QUILL CORPORATION	5/19/2016	5984139	Office Supplies	\$16.65
QUILL CORPORATION	5/11/2016	5858988	Office Supplies	\$14.85
QUILL CORPORATION	5/11/2016	5858911	Office Supplies	\$14.85
QUILL CORPORATION	5/11/2016	5829887	Office Supplies	\$9.45
QUILL CORPORATION	5/11/2016	5829013	Office Supplies	\$18.00
QUILL CORPORATION	5/11/2016	5756863	Office Supplies	\$15.30

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Accounting Disbursement List

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POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3094 – THURSDAY – JUNE 2, 2016

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DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR JUNE 2, 2016

PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
QUILL CORPORATION	5/11/2016	5756739	Office Supplies	\$15.30
QUILL CORPORATION	5/11/2016	5751532	Office Supplies	\$11.06
QUILL CORPORATION	5/11/2016	5751414	Office Supplies	\$140.02
QUILL CORPORATION	5/11/2016	5829011	Office Supplies	\$18.00
QUILL CORPORATION	5/11/2016	5829888	Office Supplies	\$9.45
QUILL CORPORATION	5/11/2016	5751499	Office Supplies	\$140.02
QUILL CORPORATION	5/11/2016	5751430	Office Supplies	\$11.06
SHRED-IT USA	5/13/2016	9410658386	Off-Site Regular Service	\$47.73
STAFF WAGES	5/22/2016		Staff Wages for 5/9/16 - 5/22/16	\$16,311.66
THE NEW CENTURY GROUP	3/31/2016	30096	Reporter Attendance and Hearing Transcript	\$275.00
THE NEW CENTURY GROUP	4/20/2016	30100	Reporter Attendance and Hearing Transcript	\$146.00
THE NEW CENTURY GROUP	5/6/2016	30110	Reporter Attendance and Hearing Transcript	\$96.00
UNIVERSAL SYSTEM TECHNOLOGIES INC	5/1/2016	2105275	IT Staff Salary for S. Vrooman	\$2,778.75
UNIVERSAL SYSTEM TECHNOLOGIES INC	5/25/2016	2105276	IT Staff Salary for S. Vrooman	\$1,784.25
Subtotal				\$59,774.14
OTHER EXPENSES:				
F. Polk	5/20/2016		Re-Exam Expenses Reimbursement	\$74.40
REGINALD E. ONEAL	5/20/2016	052016	Medical Examinations 3/28/16-4/11/16	\$790.00
TRACY THOMAS	5/27/2016	052716	PFRS Trustee Parking	\$20.00
Subtotal				\$884.40
Total Disbursements for Board Approval				
				\$1,421,782.83

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Accounting_Disbursement_List

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YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 8

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3635 - \$409,575.97

LIST NUMBER 3636 - \$723,114.29

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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REFUNDS OF ACCUMULATED CONTRIBUTIONS - CONTINUED

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 8

NAYS – NONE

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE TROZAK – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST
LISTS SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE
DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST #1 – \$57,260.00

LIST #2 – \$16,190.00

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 8

NAYS – NONE

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** ENTERED THE MEETING AT 9:07
A.M.

APPROVAL OF MAY 5, 2016 MINUTES

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, MAY 5,
2016** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S
RECORDING SECRETARY:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3094 – THURSDAY – JUNE 2, 2016

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APPROVAL OF MAY 5, 2016 MINUTES - CONTINUED

YEAS – TRUSTEES GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 7

NAYS – NONE

ABSTENTIONS – TRUSTEE DIAZ – 1

OPENING NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF THE
POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE
PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF
THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE
PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **OPENED**:

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER
AND CHAIRPERSON PEGG – 8

NAYS – NONE

TRUSTEE **DIAZ** NOMINATED TRUSTEE **JOHN SERDA** TO SERVE AS CHAIRPERSON
AND TRUSTEE **JOHN TUCKER** TO SERVE AS VICE CHAIRPERSON; AND TRUSTEE
GNATEK SUPPORTED TRUSTEE **DIAZ'S** NOMINATIONS. TRUSTEES **SERDA** AND
TUCKER ACCEPTED SAID NOMINATIONS.

CLOSING NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF THE
POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE
PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF
THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE
PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 BE **CLOSED**:

CLOSING NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017 - CONTINUED

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 8

NAYS – NONE

DESIGNATION OF CHAIRPERSON AND VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2017

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT TRUSTEE **JOHN SERDA** IS HEREBY DESIGNATED TO SERVE AS CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING **JULY 1, 2016** AND TERMINATING **JUNE 30, 2017**, AND BE IT FURTHER

RESOLVED, THAT TRUSTEE **JOHN TUCKER** IS HEREBY DESIGNATED TO SERVE AS VICE CHAIRPERSON OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING **JULY 1, 2016** AND TERMINATING **JUNE 30, 2017**:

YEAS – TRUSTEES DIAZ, GNATEK, NEARY, SERDA, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 8

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** ASKED THE BOARD TO EXECUTE CERTAIN TAX RETURNS RELATIVE TO PFRS PITG HOLDINGS CORP.

Re: PFRS PITG HOLDINGS CORP.: 2015 INCOME TAX RETURNS

By Trustee Gnatek – Supported by Trustee Trozak

WHEREAS, The Board is the sole shareholder of the corporation, and

WHEREAS, The Board has been requested to approve the execution of the following 2015 Tax Returns dated June 2, 2016 by an officer of the corporation: (1) U.S. Corporation Income Tax Return, and (2) Pennsylvania Income Tax Return, and

WHEREAS, The execution of said documents has been recommended by the Board's Special Legal Counsel, F. Logan Davidson, P.C., and

WHEREAS, The execution of said documents has been reviewed and approved as to form by the Board's General Counsel and the execution of said documents is consistent with prior action of the Board, therefore be it

RESOLVED, That said documents be executed by the appropriate corporate officers on behalf of the corporation, and be it further

RESOLVED, That a copy of this resolution be forwarded to Special Legal Counsel F. Logan Davidson, P.C.:

Yea – Trustees Diaz, Gnatek, Neary, Serda, Thomas, Trozak, Tucker and Chairperson Pegg – 8

Nay – None

2016 POLICE DEPARTMENT AND FIRE DEPARTMENT ACTIVE TRUSTEE ELECTION RESULTS

MR. CETLINSKI ALSO INFORMED THE BOARD THAT TRUSTEES MATTHEW GNATEK (POLICE DEPARTMENT) AND JEFFREY PEGG (FIRE DEPARTMENT) WERE RE-ELECTED AS TRUSTEES OF THE SYSTEM FOR A THREE-YEAR PERIOD, COMMENCING JULY 1, 2016 AND TERMINATING JUNE 30, 2019. TRUSTEES GNATEK AND PEGG WILL CONTACT THE CITY CLERK'S OFFICE FOR THE PURPOSE OF BEING ADMINISTERED THE OATH OF OFFICE.

EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** DISCUSSED THE ROLE/RESPONSIBILITIES OF THE SYSTEM'S CURRENT MEDICAL DIRECTOR OF MORE THAN 25 YEARS AND THEN OPINED THAT SINCE MOST SYSTEMS EFFECTUATE RFP'S AT LEAST EVERY THREE YEARS (RE: COST SAVINGS; BETTER SERVICE AND EFFICIENCY; TECHNOLOGY ADVANCEMENTS; AND ONLINE CAPABILITIES), THE BOARD SHOULD CONSIDER EFFECTUATING A MEDICAL DIRECTOR RFP.

ISSUANCE OF A REQUEST FOR PROPOSAL FOR MEDICAL DIRECTOR

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE NEARY

WHEREAS, the Board has received an update from its Executive Director, and

WHEREAS, the Board desires to pursue an RFP process for a Medical Director, and

WHEREAS, this matter has been considered in open session, **THEREFORE BE IT**

RESOLVED, that the Board hereby authorizes an RFP process for a Medical Director, and be it further

RESOLVED, that the Board's Executive Director shall provide the Board with further recommendations relative to the Medical Director review process.

TRUSTEE **JUNE ADAMS** ENTERED THE MEETING DURING **MS. THOMAS'** REPORT (AT 9:23 AM.); AND TRUSTEE **ANGELA JAMES** ENTERED AT 9:25 A.M.

Yea – Trustees Adams, Diaz, Gnatke, James, Neary, Serda, Thomas, Trozak, Tucker and Chairperson Pegg – 10

Nays – None

DISABILITY PROGRAM

MS. THOMAS THEN DISCUSSED THE SYSTEM'S DISABILITY PROGRAM AND ASKED THE BOARD TO FORM A DISABILITY COMMITTEE.

DURING **MS. THOMAS'** DISCUSSION, TRUSTEE **DAVID SZYMANSKI** ENTERED THE MEETING AT 9:32 A.M.; AND TRUSTEE **PORTIA ROBERSON** ENTERED AT 9:38 A.M.

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** DISCUSSED SG CAPITAL'S KINGS POINTE APARTMENTS IN WARREN, MICHIGAN AND ASKED THE BOARD TO ADOPT A RESOLUTION REGARDING THIS INVESTMENT.

SG CAPITAL, LLC PROPOSAL TO ACQUIRE MEMBER INTEREST IN KINGS POINTE APARTMENTS, WARREN, MI

BY TRUSTEE ADAMS – SUPPORTED BY TRUSTEE SERDA

WHEREAS, on December 6, 2007 the Board approved an equity commitment of \$2,200,000 to SG Capital, LLC to provide acquisition funding of apartment communities subject to a number of requirements more fully described in that certain Commitment June 2007, and

WHEREAS, the Sponsor subsequently acquired the apartment community known as Kings Pointe Apartments located in Warren, Michigan, and

WHEREAS, in March 2008 and in June 2010, the Sponsor submitted a request for an additional capital contribution of \$98,861 and \$250,000 respectively to cover deferred maintenance and pay certain accounts payable including past due taxes, insurance, utilities and other accounts payables related to the property and upon recommendation by its real estate advisor the Board approved both requests bringing the total funding to \$2,545,861, and

WHEREAS, on May 19, 2016, the sponsor forwarded a letter identifying the need for additional capital of approximately \$340,000 and in lieu of funding said request the sponsor proposed to acquire the Board's equity member interest for \$1,800,000, and

SG CAPITAL, LLC PROPOSAL TO ACQUIRE MEMBER INTEREST IN KINGS POINTE APARTMENTS, WARREN, MI – CONTINUED

WHEREAS, the Board has reviewed the request from the sponsor and the review submitted by the Board's advisor Banyan Realty Advisors who recommends the Board counter the proposed offer at \$2,100,000 representing the highest projected available proceeds derived from the recent third party broker opinion of value submitted by the sponsor, therefore be it

RESOLVED, the Board has considered both the sponsor's proposal and a letter from its real estate advisor and has approved a counter equal to the investment by the Board at [\$2,545,861], and be it further

RESOLVED, that a copy of this resolution be forwarded to the sponsor, SG Capital, located at 17255 West 10 Mile Road, Southfield, Michigan 48075; and Lou Vogt, c/o Banyan Realty Advisors, 501 N. Magnolia Avenue, Orlando, Florida 32801:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, NEARY, ROBERSON, SERDA,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

MEDICAL DIRECTOR **REGINALD O'NEAL** ENTERED THE MEETING AT 10:00 A.M.

CLOSED SESSION

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF THE BOARD'S MEDICAL DIRECTOR DISCUSSING THE MEDICAL AND PSYCHIATRIC REPORTS OF INDIVIDUALS WHO HAVE APPLIED FOR DISABILITY RETIREMENT AND THE MEDICAL AND PSYCHIATRIC REPORTS OF INDIVIDUALS WHO HAVE RECEIVED RE-EXAMINATIONS, AND BE IT FURTHER

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PERSONAL MEDICAL INFORMATION PERTAINING TO POLICE OFFICERS **KRISTAL SCOTT** AND **YARLEN HENRY**:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

CLOSED SESSION - CONTINUED

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, NEARY, ROBERSON, SERDA, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **10:10 A.M.**

TRUSTEE **DIAZ** EXCUSED HIMSELF AT 10:20 A.M. TRUSTEE **GNATEK** EXCUSED HIMSELF AT 10:42 A.M.; AND TRUSTEE **THOMAS** EXCUSED HIMSELF AT 10:43 A.M. CHAIRPERSON **PEGG** RELINQUISHED THE CHAIR TO VICE CHAIRPERSON **ROBERSON** AND TEMPORARILY EXCUSED HIMSELF AT 10:59 A.M. CHAIRPERSON **PEGG** RETURNED TO THE MEETING AT 11:25 A.M. AND VICE CHAIRPERSON **ROBERSON** RELINQUISHED THE CHAIR TO HIM.

TRUSTEE **JOHN NAGLICK** ENTERED THE MEETING AT 11:40 A.M.

OPEN SESSION

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE ADAMS

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **11:45 A.M.** AND EXCUSED MEDICAL DIRECTOR **REGINALD O'NEAL**.

KIZZY MARCH – PENSION NUMBER 237302

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING **KIZZY MARCH**, AND BE IT FURTHER

KIZZY MARCH – PENSION NUMBER 237302 - CONTINUED

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES THE POLICE DEPARTMENT'S APPLICATION FOR **KIZZY MARCH'S** DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT **MS. MARCH** BE INFORMED OF HER RIGHT TO APPEAL SAID ACTION PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THE BOARD'S MEDICAL DIRECTOR'S REPORT BE FORWARDED TO **KIZZY MARCH**:

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

DEMEREAL MERCER – PENSION NUMBER 237129

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING **DEMEREAL MERCER**, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES **DEMEREAL MERCER'S** APPLICATION FOR DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THE BOARD'S MEDICAL DIRECTOR'S REPORT BE FORWARDED TO **DEMEREAL MERCER**:

YEAS – TRUSTEES JAMES, NAGLICK, NEARY, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 9

NAYS – NONE

ABSTENTIONS – TRUSTEE ADAMS – 1

RE-EXAMINATIONS

BY TRUSTEE TROZAK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD'S MEDICAL DIRECTOR, THE FOLLOWING DIRECTIVES BE FOLLOWED:

RE-EXAMINATIONS

NAME/PENSION NO. DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH RETIRANT RECEIVING NEXT RE-EXAM IN ONE (1) YEAR UNLESS OTHERWISE DIRECTED	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH NO FURTHER RE-EXAMS BEING NECESSARY FOR RETIRANT	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH RETIRANT RECEIVING NEXT RE-EXAM AT MEDICAL DIRECTOR'S OFFICE UNLESS OTHERWISE DIRECTED
CRAIG BROWN – 235423 – FIRE – DUTY – 3RD – RETURN TO WORK REQUEST		(SEE BELOW)*	
MICHAEL ELLISON – 237575 – FIRE – DUTY – 2ND	X		
CONRAD HERRING – 236094 – FIRE – DUTY – 2ND	X		
STEFON HODO – 238233 – POLICE – DUTY – 3RD	X		
SHAWN HUNTER – 236647 – POLICE – DUTY – 3RD	X		
JAMAL JOHNSON – 237565 – FIRE DUTY – 3RD	X		
SONYA JUSTICE – 236132 – POLICE – DUTY – 3RD	X		
CHRISTOPHER MCGHEE - 232663 – FIRE – DUTY – 4TH – RETURN TO WORK REQUEST	(SEE BELOW)**		
ELIZABETH ROHDE – 236732 – POLICE – DUTY – 2ND	X		

RE-EXAMINATIONS - CONTINUED

***CONTINUE CRAIG BROWN ON THE SYSTEM'S DISABILITY RETIREMENT PAYROLLS WITH NO FURTHER RE-EXAMINATIONS BEING NECESSARY; AND DENY HIS RETURN TO WORK REQUEST AND INFORM HIM OF HIS RIGHT TO APPEAL SAID DENIAL PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING.**

****RETURN CHRISTOPHER MCGHEE TO WORK AND REMOVE HIS NAME FROM THE SYSTEM'S DISABILITY RETIREMENT PAYROLLS AS OF THE DATE HE RETURNS TO WORK.**

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

FORMATION OF DISABILITY COMMITTEE

BY TRUSTEE TROZAK – SUPPORTED BY TRUSTEE TUCKER

WHEREAS, THE BOARD'S EXECUTIVE DIRECTOR HAS RECOMMENDED THAT THE BOARD FORM A DISABILITY COMMITTEE, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY FORMS A DISABILITY COMMITTEE CONSISTING OF TRUSTEES ADAMS; DIAZ; NEARY; AND THOMAS:

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

CLOSED SESSION

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE ADAMS

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

CLOSED SESSION - CONTINUED

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **11:46 A.M.**

OPEN SESSION

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE ADAMS

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SERDA,
SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 10

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **12:10 P.M.**

TRUSTEE **NEARY** EXCUSED HIMSELF AT 12:10 P.M.

CHAIRPERSON/VICE CHAIRPERSON SELECTION

VICE CHAIRPERSON **ROBERSON** ASKED THAT CHAIRPERSON/VICE CHAIRPERSON SELECTION BE PLACED ON THE BOARD'S JUNE 30, 2016 AGENDA FOR DISCUSSION.

AMERICAN REALTY ADVISORS

STAN IZMAN DISCUSSED THE FOLLOWING MATTERS AT LENGTH:

PFRS' REAL ESTATE SEPARATE ACCOUNT

MGRA' GENESIS VALUE FUND, LP

AMERICAN REALTY ADVISORS - CONTINUED

AMERICAN CORE REALTY FUND

AMERICAN STRATEGIC VALUE FUND

DROP APPLICATIONS

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT THE **DROP** APPLICATIONS WHICH ARE REFERENCED BELOW BE APPROVED:

DROP APPLICATIONS

NAME, TITLE, DEPARTMENT:	TIMOTHY ABRAMS – FIRE FIGHTER - FIRE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE:	18 04 19 – 05 03 16
NAME, TITLE, DEPARTMENT:	WILLIE BRADLEY – OFFICER - POLICE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE:	21 00 07 – 07 05 16
NAME, TITLE, DEPARTMENT:	COREY SOLOMON – OFFICER - POLICE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT/EFFECTIVE DATE:	18 00 06 – 07 05 16

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, ROBERSON, SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG - 9

NAYS – NONE

PUBLIC RELATIONS ADVISOR'S REPORT

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** IS EXCUSED FROM TODAY'S MEETING.

LOBBYIST'S REPORT

LOBBYIST **OSCAR W. KING, III** IS EXCUSED FROM TODAY'S MEETING.

GENERAL COUNSEL DISCUSSION

GENERAL COUNSEL **RONALD A. KING** WAS ASKED TO TEMPORARILY EXCUSED HIMSELF.

TRUSTEE **SERDA** INFORMED THE BOARD THAT **HE** AND TRUSTEES **PEGG** AND **ADAMS** (THREE MEMBERS OF THE BOARD'S LEGAL REVIEW COMMITTEE) MET ON MAY 27, 2016 AND DISCUSSED GENERAL COUNSEL'S REVISED CONTRACT; NOTING THAT IT'S THE COMMITTEE'S RECOMMENDATION THAT THE BOARD APPROVE GENERAL COUNSEL'S ORIGINAL CONTRACT ONLY.

CHAIRPERSON **PEGG** DIRECTED THAT THIS MATTER BE PLACED ON THE BOARD'S JUNE 16, 2016 AGENDA FOR ADDITIONAL DISCUSSION AND ACTION.

PUBLIC FORUM

AT **1:37 P.M.**, **CHAIRPERSON PEGG** DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, **CHAIRPERSON PEGG** ADJOURNED THE MEETING AT **1:37 P.M.** UNTIL **THURSDAY, JUNE 16, 2016**, AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30TH FLOOR (SUITE 3000), DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,



DAVID CETLINSKI
ASSISTANT EXECUTIVE DIRECTOR